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SIXTY-FIRST ANNUAL REPORT

DECEMBER 31st, 1966

1966

THE MONARCH LIFE ASSURANCE COMPANY
WINNIPEG - CANADA



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THE MONARCH LIFE ASSURANCE COMPANY



The Sixty-first Annual Meeting of The Monarch Life Assurance Company was held at the Head Office, in Winnipeg, on January 24, 1967. Audited statements of the results of the Company's operations in 1966 were presented by the Directors and adopted by the members of the Company.

The Canadian economy operated at a very high level in 1966. The Monarch, too, had a record year.

Sales to individuals, of what are known as ordinary insurance and annuity policies, at \$86,266,163, were 24% greater than in 1965. Sales of group plans, at \$22,929,458, were 4% below those in 1965. Group sales in 1965 were particularly high, because almost every pension plan in the country was thought through afresh as a consequence of the Canada and Quebec Pension Plans and this rethinking led, in many cases, to plans redesigned to meet more adequately the requirements of employer and employee.

Total sales, of ordinary and group together, reached \$109,195,621, exceeding \$100,000,000 for the first time in our history.

In the field of ordinary insurance, the Guardian and Family Guardian Plans, which we introduced in 1965, continued to be popular, as have our other principal plans — the Monarch Executive, the T5-15, the Security Builder and the Monarch Annuity Plan. These names are, of course, more emotive than explanatory, but each plan is designed to provide for family maintenance, for the education of children, for retirement, or for a combination of these objectives, which fits the needs of the particular policyholder. Each plan carries out, in its own way, the two basic concepts of life insurance — the payment of a stipulated sum when promised, and with certainty, and with the cost expressed as a periodic payment, and of an amount known in advance. Purchasing power is important, but to the buyer of life insurance, the really satisfying thing to know is that \$100,000, or \$25,000, or \$5,000 will be paid, and paid, not if no unfortunate investment was made, not if the market is strong, not if a buyer can be found, but with certainty.

Because each buyer has his own responsibilities, his own hopes, and his own standard of relative values, life insurance is sold by a trained man sitting down with his client and, very often, with his wife, too.

Sometimes it becomes evident, in a very few minutes, that this family should have at least \$10,000 of Ordinary Life, and should have it right then and there. At other times, an extensive analysis needs to be made of existing life insurance, company pension and group insurance, Canada or Quebec Pension Plan and rights, other



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assets, the children and their ages, and plans for their education, the needs of the wife, if she should become the widow, estate and other tax considerations, and so through all the financial complexities which surround a family in today's economy.

The Monarch representative must be ready to deal with either situation and to make sound and practical recommendations to his client. The Monarch spares no pains to find men capable of doing this important work and to train them to do it well. The Monarch pays them well and believes it pays our clients to have them paid well, when the job is well done.

At the beginning of 1966, the basis of remuneration for our salesmen was changed in several ways. The net result is that the salesman who does a really good job, and who continues to do so year after year, will earn more than he would have done under the old basis. The transition from one basis to the other has put some non recurring expense into the accounts of 1966.

Voluntary terminations of ordinary insurance and annuity policies were at a slightly higher rate than in 1965.

One group pension plan constitutes a relatively large sale for the salesman and for the Company, and the termination of one pension plan requires a relatively large payment — a "Surrender Benefit", as it is described in the Statement of Revenue. Partly as a result of the introduction of the Canada Pension Plan and, to a greater extent, the result of provincial legislation placing municipal pension plans under a central government board, some of our group pension plans were terminated in the year and the surrender benefits consequently paid out were considerably higher than in recent years. Surrender benefits paid because an individual employee has left his employer were also a little higher than in the previous year.

The fact that surrender benefits paid were higher than normal affected the earnings of the year to only a small degree, but it means that cash which might have been invested at the prevailing high interest rates and so contributed to earnings in the future, was paid out, instead. Another aspect of the same situation is that the reserves for future payments to policyholders and beneficiaries were increased, by a lesser amount than in 1965.

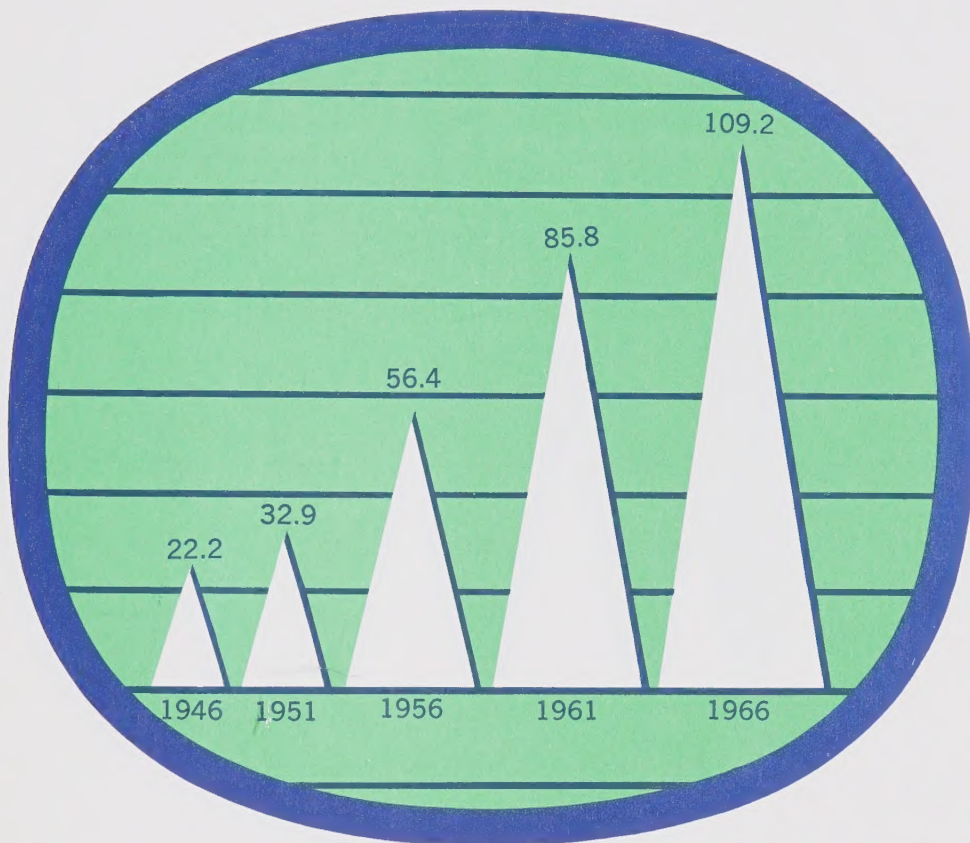
Payments to beneficiaries, as a result of deaths of policyholders, increased in total, as is to be expected with the increase of insurance in force, but the rate of mortality was very nearly the same as in recent years.

The net effect of sales, voluntary terminations, deaths, etc., was that our business in force increased from \$616,434,269 to \$657,561,492 during the year.

THE MONARCH LIFE ASSURANCE COMPANY



NEW BUSINESS (IN MILLIONS)



Tight money, high interest rates and the decline in the stock market were the talk of the investment community, and of nearly everyone else, in 1966.

The Monarch was able to invest its available funds at a higher average rate than at any time since the mid-twenties and, at the same time, to be even more selective than usual in the securities bought. Our gross interest rate on our total funds increased from 6.12% to 6.23% and our net rate, after deduction of investment expenses, increased from 5.81% to 5.93%.

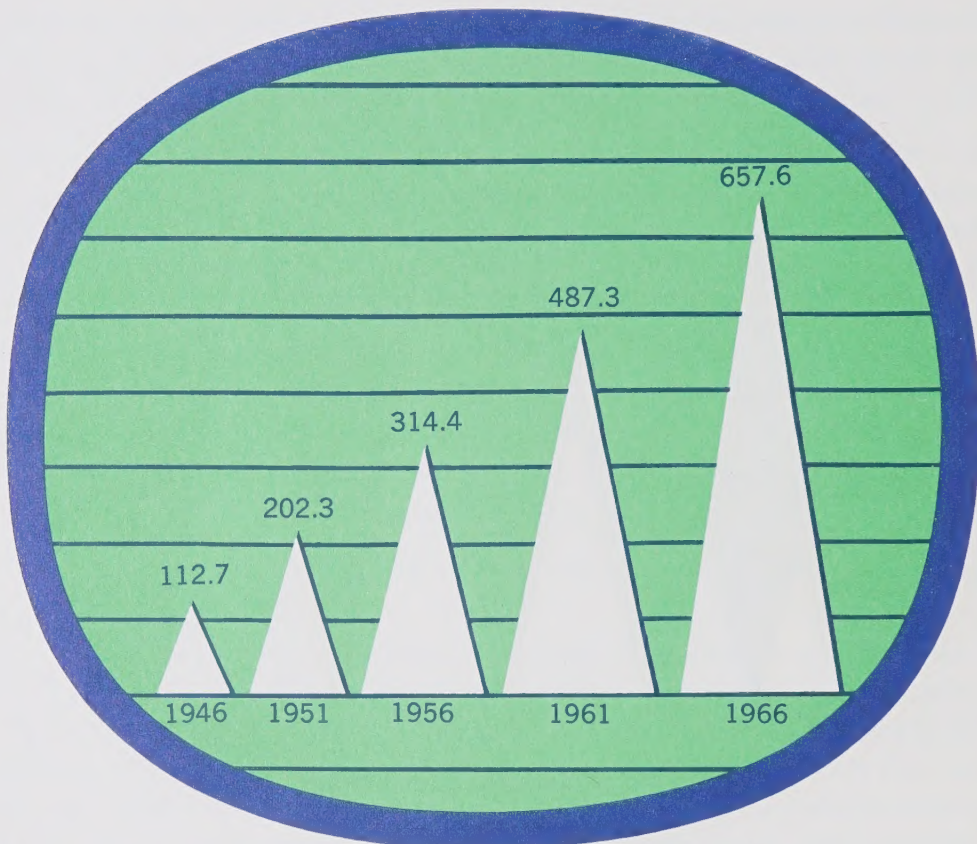
Most of our new investments were in first mortgages on residential and commercial properties, but we also purchased industrial bonds, particularly those with call protection, and we continued our program of very modest investment in carefully chosen common stocks. The overall increase in our policy loans outstanding was relatively small, in spite of the tightness of money which led to an increased demand.

With rising interest rates, security prices fell substantially in the year, and the value of our portfolio, on the basis of valuation authorized by the Superintendent of Insurance for Canada fell, also.



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BUSINESS IN FORCE (IN MILLIONS)



The excess of the authorized value over the aggregate value at which the securities are carried on our books, at the year end, was \$709,204.

Our Contingency Reserve and Surplus are considered ample to protect the Company against any further decline in security prices. However, at year end, there appeared to be indications that interest rates had passed their peak and that the prices of bonds were beginning to rise. The outlook for common stock prices was still uncertain but, at the present time, common stocks form a very small part of our assets.

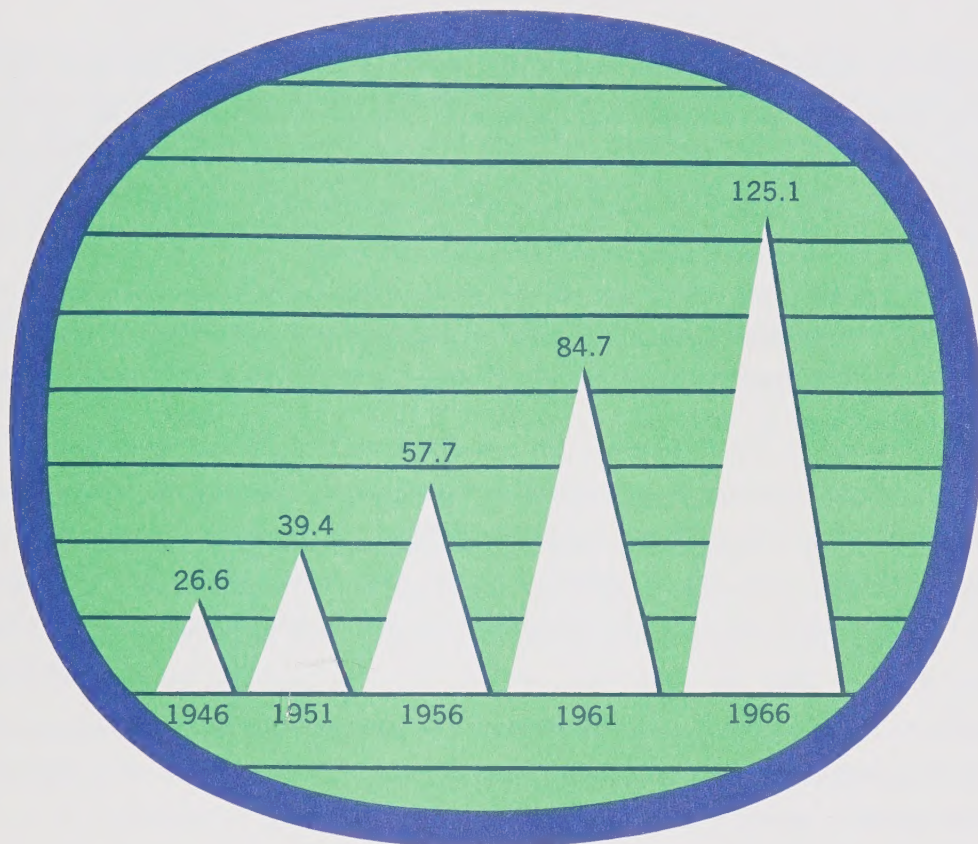
During the year we took advantage of market movements to switch from one security to another, with improvement in quality, or yield, or term and, in some instances, in all three. Although many sales were made at prices below book value, the net effect of these transactions was a profit of \$107,000. This sum, together with \$217,000 from the general earnings of the Company, was used to write down the book values of some securities.

After these adjustments and the other transactions of the year, our total assets increased by \$7,763,445 to \$125,113,351.

THE MONARCH LIFE ASSURANCE COMPANY



GROWTH OF ASSETS (IN MILLIONS)



The distribution of our investment portfolio, by type of security, with the corresponding figures for 1965, is shown in the following table:

	December 31	
	1966	1965
Government of Canada Bonds	3.0%	3.6%
Provincial Government Bonds	19.2	19.4
Public Utility and Transportation Bonds	12.0	12.4
Other Bonds	17.7	19.7
Preferred and Common Stocks	1.8	1.7
Mortgages	34.8	32.1
Real Estate:		
Properties purchased for income	3.9	3.6
Properties purchased for company use	2.0	2.1
All other Assets	5.6	5.4
	100.0%	100.0%



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Our scale of dividends to participating policyholders, which was increased in 1966, will be increased again in 1967, and the rate of interest to be allowed on policyholders' dividends and policy proceeds left on deposit with the Company has been increased to 5.4%. The half yearly dividend to shareholders payable January 1, 1967, has been increased, also, from 55 cents to 60 cents.

We have made provision for all unmatured obligations on the same basis as in the past. The amount remaining, to be carried to surplus, is less than in 1965. There are several reasons for this.

Because our accounts are kept in the form which meets the requirements of the Superintendent of Insurance, the value of business acquired in a year is not fully stated, but the costs incidental to acquiring it are fully charged to income in the year. With the substantial increase in ordinary sales in 1966, this practice had greater effect than in 1965. In 1966, too, we had the non recurring expense, already mentioned, arising from the old to the new basis of remuneration for our salesmen. Finally, provision was made for the increased scale of dividends for participating policyholders.

After all transactions and provisions, the amount carried to Surplus in 1966 was \$867,394. The corresponding figure in 1965 was \$970,010.

The Monarch has always attempted, through its Annual Report, to provide figures and comment which will enable the members of the Company to assess its position and progress. This year, we are presenting additional information which, we hope, will be useful.

The Monarch has sold both Participating and Non Participating policies since it began business. In Canada, this means that the Company has two main parts, a participating division from which 90% of the distributable profits are paid to the policyholders, and 10% to Monarch shareholders, and a non-participating division which is owned by the Monarch shareholders.

THE MONARCH LIFE ASSURANCE COMPANY



Because shareholders' profits derive from both, the Company's Paid in Capital, which was provided by the shareholders, and the Surplus in the Shareholders' Fund, are treated as another division, and the Staff Pension Fund for employees and agents, which receives funds from both the participating and non participating divisions, as well as from the employees and agents, is treated as a fourth subdivision.

Accounts for each of these subdivisions, for the years 1966 and 1965, are displayed on the pages immediately following the principal financial statements in this report. A few comments are needed to make these statements correctly understood.

The investments of the Company are not segregated, but are owned jointly by all subdivisions. Investment income, after deduction of investment expense, and investment gains and losses, are divided each year in proportion to the mean funds of these subdivisions in that year. For this reason, in the new statements being shown this year, the asset side of the Statement of Financial Position is not subdivided.

Premiums for Participating policies are credited to the participating division, and premiums for Non Participating policies are credited to the non participating division. All payments to policyholders are charged to the appropriate division, and so are commissions to agents. Other expenses, such as salaries, rents, etc., are divided between the divisions by formula. The Company pays a Premium Tax on all insurance premiums received, and this tax is charged to the appropriate division. Corporation Tax is paid on amounts transferred to the Shareholders' Fund from the other divisions and is charged to the Shareholders' division.

Each division is quite distinct, and each has its own Contingency Reserve and Surplus. The surplus constitutes the working capital for each division and, as in any business, working capital is needed to finance not only the expansion of the business but its day to day conduct. In particular, our group pension business, which is written on a non participating basis, requires a relatively large working capital. For this reason, very small amounts have been transferred from the non participating division to the Shareholders' Fund, in recent years, and it is likely that it will be considered wise to continue this practice for some years to come.



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The conventional accounts of a life insurance company are designed to make certain that the company is fully able to carry out all of the obligations it has undertaken to beneficiaries and policyholders. This is accomplished by valuing both assets and liabilities very conservatively, so conservatively, in fact, that certain assets are not shown in the balance sheet at all. As further information for the members of the Company, these and some other matters are referred to in the Notes to the Financial Statements which we have included in the report for the first time this year.

It must be recognized that the earnings of a life insurance company in a year cannot be stated with anything like the precision attainable in a business which does not have such very large obligations to be carried out over the long term future. The Policy Reserves, in our Statement of Financial Position, provide for these obligations on bases approved by the Superintendent of Insurance and, in our opinion, they are fully adequate for the purpose.

The Policy Reserve, however, is necessarily based on predictions, that is, on opinions, of interest rates that will prevail over a long period in the future, of future rates of mortality, and future levels of operating costs. Even a difference of opinion of as little as $\frac{1}{4}$ of 1% in the future average interest rate makes a significant difference in the total reserve. Because this is so, we are of the opinion that a precise statement of the earnings of a year cannot be made.

However, this inherent situation should not prevent members of the Company being given as much information as possible, and we hope that they will find this report useful and informative.

On April 1, 1966, Mr. Clark B. Fuller, C.L.U., formerly Regional Director of Agencies of a very large United States life insurance company, joined us as Vice-President and Director of Sales.

Our Medical Director for the past fourteen years, Dr. J. P. Gemmell, was appointed Professor of Medicine of the University of Manitoba and Physician in Chief of the Winnipeg General Hospital in the fall of 1966. Dr. Gemmell served the Company very ably, and we are very sorry that his connection with the Company has been severed.



Dr. R. G. Handford was appointed Medical Director in his place.

Two members of our Board withdrew during the year. Mr. Stewart A. Searle, who was first elected to the Board in 1948, resigned in June. Mr. Searle has been withdrawing from his business activities in recent years and, to our regret, decided this year to retire from the Monarch. During the many years he served on our Board and on our Executive Committee, the Company gained greatly from his knowledge and judgment.

Mr. Gordon M. Bowes, O.B.E., retired from business during the year. Mr. Bowes joined our Board in 1962 and was a valued member during his all too short period of service.

The vacancies have been filled by the election of Mr. T. Bruce Ross, President of The Canadian Indemnity Company, and Mr. Alfred R. Tucker, a prominent Winnipeg businessman.

1967 will be a year of celebration and enjoyment, of analysis of the past and of planning for the future. The Monarch has passed its 60th birthday and, as this report amply demonstrates, it is strong, sound and vigorous.

Canada's Centennial celebrations serve to remind all of us that Canada's people, new and old, have done and can do great things.

Among the many events of the year, two will be of special interest to us. Our Head Office city will be host to the Pan American Games in July, and we look forward to this gathering of the great athletes of the Americas.

At Expo 67, the life insurance companies of Canada will be presenting, in Meditheatre, the story of man's fight against disease and the tremendous victories which have been won.

The Monarch has had a very successful Diamond Jubilee Year. Monarch people, in the field and in our offices, by their interest and effort, made it so and the Directors and members of the Company tender them a warm vote of thanks.



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STATEMENT OF FINANCIAL POSITION DECEMBER 31, 1966

ASSETS

	For the Year	
	1966	1965
BONDS	\$ 64,807,211	\$ 64,508,263
PREFERRED STOCKS	99,000	43,400
COMMON STOCKS	2,248,652	1,954,033
In the aggregate, the authorized value of the fore- going bonds and stocks is in excess of the book values shown above.		
MORTGAGES	43,596,951	37,670,634
First encumbrances on improved real estate		
REAL ESTATE		
Properties purchased for income	4,911,625	4,271,302
Properties held for company use	2,500,000	2,500,000
LOANS ON POLICIES	5,030,278	4,844,987
Fully secured by the cash surrender values of the policies.		
CASH	622,762	315,143
INTEREST ACCRUED AND DIVIDENDS DECLARED	864,350	833,981
NET PREMIUMS IN COURSE OF COLLECTION	339,305	302,306
OTHER ASSETS	93,217	105,857
	<u>\$125,113,351</u>	<u>\$117,349,906</u>

President

AUDITOR

January 24, 1967

To the Policyholders and Shareholders of The Monarch Life Assurance Company:

We have examined the statement of financial position of The Monarch Life Assurance Company as at December 31, 1966 and the statements of revenue and surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The policy reserves and other liabilities under policy contracts are stated at amounts certified to by the company's actuary. The investments in bonds and stocks are stated at values which, in total, are less than the sum

THE MONARCH LIFE ASSURANCE COMPANY



FINANCIAL POSITION

December 31, 1966

LIABILITIES, CAPITAL AND SURPLUS

	For the Year	
	1966	1965
POLICY RESERVES	\$ 94,782,197	\$ 89,679,672
The amount which with future premiums and interest will provide for the payment of all benefits on policies in force.		
POLICY CLAIMS AWAITING PROOF	532,228	454,259
Including \$50,000 provision for unreported death claims.		
OTHER POLICY OBLIGATIONS	9,239,774	8,214,654
Policy proceeds left on deposit with the company and premiums paid in advance.		
DIVIDENDS TO POLICYHOLDERS	2,990,546	2,663,141
Provision for all policyholders' dividends payable in 1967 and all other dividends accrued to the end of 1966.		
STAFF PENSION FUND	3,050,898	2,727,979
OTHER LIABILITIES	368,155	330,36
Commissions, taxes and other expenses due and accrued, receipts not yet allocated and shareholders' dividends payable January 3, 1967.		
	<u>110,963,798</u>	<u>104,070,072</u>
SHARE CAPITAL	1,000,000	1,000,000
100,000 shares of \$10 par value each.		
CONTINGENCY RESERVE	2,500,000	2,500,000
SURPLUS:		
Shareholders' fund	142,939	140,614
Insurance funds	<u>10,506,614</u>	<u>9,639,220</u>
	<u>\$125,113,351</u>	<u>\$117,349,906</u>

Vice-President

REPORT

of the amortized values of eligible government bonds and the market values of other securities based on figures furnished by the Department of Insurance of Canada.

In our opinion the accompanying statement of financial position and the statements of revenue and surplus present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles referred to in Note 1 to the financial statements.

Price Waterhouse & Co.
Chartered Accountants



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STATEMENT OF REVENUE

	For the Year	
	1966	1965
<i>The Company's Revenue was:</i>		
Premiums and annuity considerations	\$12,911,860	\$13,086,360
Investment income, less expenses	6,954,334	6,342,233
	<u>\$19,866,194</u>	<u>\$19,428,593</u>
<i>This Revenue was used for:</i>		
Death and disability benefits	\$ 1,680,157	\$ 1,660,046
Matured endowments	990,429	805,438
Annuity payments	709,078	671,363
Surrender benefits	3,866,257	2,880,663
Dividends to policyholders	1,581,570	1,253,340
Increase in reserves for future payments to policyholders and beneficiaries	5,854,918	7,363,734
	<u>\$14,682,409</u>	<u>\$14,634,584</u>
Taxes, licences and fees	201,292	193,406
Commissions on premiums and annuity considerations	1,312,351	884,117
General expenses	2,369,137	2,194,670
	<u>\$18,565,189</u>	<u>\$17,906,777</u>
<i>Balance of revenue for the year carried to surplus</i>	<u>\$ 1,301,005</u>	<u>\$ 1,521,816</u>

STATEMENT OF SURPLUS

	For the Year	
	1966	1965
<i>INSURANCE FUNDS</i>		
Surplus in Insurance Funds January 1	\$ 9,639,220	\$ 8,669,211
Balance of revenue for the year	1,301,005	1,521,816
Adjustments to book values of assets, and profits and recoveries on sale of securities (net)	(216,775)	(107,206)
	<u>\$10,723,450</u>	<u>\$10,083,821</u>
Transfer to Shareholders' Fund	216,836	194,601
Transfer to Contingency Reserve	—	250,000
	<u>\$ 216,836</u>	<u>\$ 444,601</u>
<i>Surplus in Insurance Funds December 31</i>	<u>\$10,506,614</u>	<u>\$ 9,639,220</u>
<i>SHAREHOLDERS' FUND</i>		
Surplus in Shareholders' Fund January 1	\$ 140,614	\$ 139,258
Transfer from Insurance Funds	216,836	194,601
	<u>\$ 357,450</u>	<u>\$ 333,859</u>
Income taxes	99,511	88,245
Dividends to shareholders	115,000	105,000
	<u>\$ 214,511</u>	<u>\$ 193,245</u>
<i>Surplus in Shareholders' Fund December 31</i>	<u>\$ 142,939</u>	<u>\$ 140,614</u>



NOTES TO FINANCIAL STATEMENTS

1. The requirements of the Superintendent of Insurance for Canada differ in some respects from accounting principles followed by business enterprises in general. Such differences, the effect of which on the Statement of Revenue has not been determined, include, among others, the following:
 - (a) The present value of future premiums with respect to business acquired in a year is not fully stated in the accounts, but the costs incurred in acquiring it are charged to income in the year.
 - (b) Certain assets, such as furniture and fixtures, inventories of supplies, prepaid insurance on Company properties, miscellaneous accounts receivable, etc., are excluded from the Statement of Financial Position. Based on cost, less allowance for diminishment in value, these assets for management purposes amount to \$405,613 on 31 December 1966 and \$401,549 on 31 December 1965.
2. The Monarch Life Staff Pension Fund is fully funded, so far as members now retired are concerned, and fully funded so far as all benefits earned to 31 December 1966, by persons not yet retired, are concerned. In addition, the Fund had a surplus on 31 December 1966, estimated at \$174,869.
3. All claims have either been paid or are in the process of being paid.
4. Under a Stock Option Plan adopted in 1966, the Company may grant to executives in each of the years 1966 to 1981, inclusive, options to purchase shares of the unissued capital stock of the Company at a price equal to the market value of such stock on the date granted; provided, however, that the number of shares which may be sold under such options may not exceed 10,000. On 1 April 1966, options were granted to purchase an aggregate of 4,000 shares, during the years 1969 to 1979, at a price of \$100 per share which was the bid price that day on the Winnipeg Stock Exchange.
5. On 31 December 1966, 100,000 of the 200,000 authorized shares of the capital stock of the Company were outstanding, held by 491 shareholders. The eight Shareholder Directors and the five executive officers of the Company held or controlled an aggregate of 28,812 shares. The largest number held by one shareholder was 24,000, held by the Connecticut General Life Insurance Company. During the year 1966, no shares were sold by a Director or an executive officer. During that year, an aggregate of 610 shares were purchased by two executive officers, one Director, and two companies in which two Directors have major interests.



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STATEMENT OF LIABILITIES

DECEMBER

	Participating Division	
	1966	1965
POLICY RESERVES	\$56,311,828	\$53,595,231
POLICY CLAIMS AWAITING PROOF	316,856	262,286
OTHER POLICY OBLIGATIONS	8,442,221	7,436,130
DIVIDENDS TO POLICYHOLDERS	2,990,546	2,663,141
STAFF PENSION FUND		
OTHER LIABILITIES	181,202	152,882
	<u>68,242,653</u>	<u>64,109,670</u>
SHARE CAPITAL		
CONTINGENCY RESERVE	1,630,000	1,630,000
SURPLUS:		
Shareholders' fund		
Insurance funds	6,866,640	6,813,796
	<u><u>\$76,739,293</u></u>	<u><u>\$72,553,466</u></u>



CAPITAL AND SURPLUS

, 1966

Non Participating Division		Staff Pension Fund		Shareholders' Fund	
1966	1965	1966	1965	1966	1965
\$38,470,369	\$36,084,441				
215,372	191,973				
797,553	778,524				
		\$3,050,898	\$2,727,979		
89,132	90,359			\$ 97,821	\$ 87,126
39,572,426	37,145,297	3,050,898	2,727,979	97,821	87,126
				1,000,000	1,000,000
870,000	870,000				
				142,939	140,611
3,639,974	2,825,424				
<u>\$44,082,400</u>	<u>\$40,840,721</u>	<u>\$3,050,898</u>	<u>\$2,727,979</u>	<u>\$1,240,760</u>	<u>\$1,227,740</u>



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STATEMENT OF REVENUE

	Participating Division	
	1966	1965
<i>The Company's Revenue was:</i>		
Premiums and annuity considerations	\$ 7,811,548	\$ 7,354,620
Investment income, less expenses	4,282,163	3,958,343
	<u>\$12,093,711</u>	<u>\$11,312,963</u>
<i>This Revenue was used for:</i>		
Death and disability benefits	1,000,155	973,985
Matured endowments	860,712	670,371
Annuity payments	111,974	132,900
Surrender benefits	2,090,734	1,811,667
Dividends to policyholders	1,581,570	1,253,340
Increase in reserves for future payments to policyholders and beneficiaries	3,103,191	3,145,358
	<u>\$ 8,748,336</u>	<u>\$ 7,987,621</u>
Taxes, licences and fees	155,239	148,507
Commissions on premiums and annuity considerations	1,023,271	616,725
General expenses	1,837,919	1,628,217
	<u>\$11,764,765</u>	<u>\$10,381,070</u>
<i>Balance of revenue for the year carried to surplus</i>	<u>\$ 328,946</u>	<u>\$ 931,893</u>

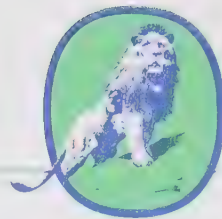
STATEMENT OF SURPLUS

<i>Surplus in Insurance Funds January 1</i>	
Balance of revenue for the year	
Adjustments to book values of assets, and profits and recoveries on sale of securities (net)	
Transfer to Shareholders' Fund	
Transfer to Contingency Reserve	
<i>Surplus in Insurance Funds December 31</i>	

STATEMENT OF SURPLUS

<i>Surplus in Shareholders' Fund January 1</i>	
Transfer from Insurance Funds	
Interest on Investments	
Adjustment of book values of assets, and profits and recoveries on sale of securities (net)	
Income Taxes	
Dividends to shareholders	
<i>Surplus in Shareholders' Fund December 31</i>	

THE MONARCH LIFE ASSURANCE COMPANY



REVENUE

Non Participating Division		Staff Pension Fund	
1966	1965	1966	1965
\$ 4,866,820	\$ 5,521,033	\$ 233,492	\$ 210,707
2,436,114	2,170,632	166,324	146,298
<u>\$ 7,302,934</u>	<u>\$ 7,691,665</u>	<u>\$ 399,816</u>	<u>\$ 357,005</u>
679,702	614,261	300	71,800
129,717	135,067		
533,615	486,578	63,489	51,885
1,762,415	1,047,037	13,108	21,959
2,428,808	4,007,015	322,919	211,361
\$ 5,534,257	\$ 6,289,958	\$ 399,816	\$ 357,005
46,053	44,899		
289,080	267,392		
531,053	566,349		
<u>\$ 6,400,443</u>	<u>\$ 7,168,598</u>	<u>\$ 399,816</u>	<u>\$ 357,005</u>
<u>\$ 902,491</u>	<u>\$ 523,067</u>	<u>NIL</u>	<u>NIL</u>

INSURANCE FUNDS

Participating Division		Non Participating Division	
1966	1965	1966	1965
\$ 6,813,796	\$ 6,239,296	\$ 2,825,424	\$ 2,429,915
328,946	931,893	902,491	523,067
(136,750)	(68,490)	(77,798)	(37,558)
\$ 7,005,992	\$ 7,102,699	\$ 3,650,117	\$ 2,915,424
139,352	123,903	10,143	5,000
	165,000		85,000
<u>\$ 139,352</u>	<u>\$ 288,903</u>	<u>\$ 10,143</u>	<u>\$ 90,000</u>
<u>\$ 6,866,640</u>	<u>\$ 6,813,796</u>	<u>\$ 3,639,974</u>	<u>\$ 2,825,424</u>

SHAREHOLDERS FUND

1966	1965
\$ 140,614	\$ 139,258
149,495	128,903
69,733	66,960
(2,392)	(1,262)
<u>\$ 357,450</u>	<u>\$ 333,859</u>
99,511	88,245
115,000	105,000
<u>\$ 214,511</u>	<u>\$ 193,245</u>
<u>\$ 142,939</u>	<u>\$ 140,614</u>



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OPERATING

The Company's Revenue was:

	1966
Premiums and annuity considerations	\$ 12,911,860
Investment income, less expenses	6,954,334
	<u>19,866,194</u>

This Revenue was used for:

Payments to policyholders & beneficiaries	8,827,491
Increase in reserves for future payments to policyholders and beneficiaries	5,854,918
Costs of doing business	3,681,488
Taxes, licenses and fees	201,292
	<u>18,565,189</u>

Balance of Revenue:

\$ 1,301,005

Total Surplus:

In Participating Insurance Fund	\$ 6,866,640
In Non Participating Insurance Fund	3,639,974
In Shareholders' Fund	142,939
	<u>\$ 10,649,553</u>

Total Assets:

\$125,113,351

Insurance and Annuities in Force:

Participating Division	\$386,757,503
Non Participating Division	270,803,989
	<u>\$657,561,492</u>

Sales — Insurance and Annuities:

Participating Division	\$ 63,757,662
Non Participating Division	45,437,959
	<u>\$109,195,621</u>

Net Interest Rate	<u>5.93%</u>
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THE MONARCH LIFE ASSURANCE COMPANY



TATISTICS

<u>1965</u>	<u>1964</u>	<u>1963</u>	<u>1962</u>
\$ 13,086,360	\$ 12,258,183	\$ 11,180,766	\$ 10,536,738
6,342,233	5,737,320	5,146,719	4,607,586
19,428,593	17,995,503	16,327,485	15,144,324
7,270,850	6,911,995	6,157,769	5,304,632
7,363,734	6,469,750	6,157,769	5,666,903
3,078,787	2,935,986	2,841,596	2,888,714
193,406	190,470	192,717	192,241
\$ 1,521,816	\$ 1,487,302	\$ 1,500,809	\$ 1,405,249
\$ 6,813,796	\$ 6,239,298	\$ 5,923,523	\$ 5,424,376
2,825,424	2,429,914	1,891,215	1,514,064
140,614	139,258	137,714	111,612
\$ 9,779,834	\$ 8,808,470	\$ 7,952,452	\$ 7,050,052
\$117,349,906	\$108,130,172	\$ 99,191,083	\$ 91,185,992
\$352,856,885	\$330,969,830	\$314,182,752	\$302,195,702
263,577,284	248,608,887	237,663,473	220,005,011
\$616,434,269	\$579,578,717	\$551,846,225	\$522,200,713
\$ 49,696,960	\$ 42,630,409	\$ 40,350,351	\$ 41,099,057
43,853,609	38,384,295	37,850,659	36,208,580
\$ 93,550,569	\$ 81,014,704	\$ 78,201,010	\$ 77,307,637
5.81%	5.72%	5.59%	5.41%



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BOARD OF DIRECTORS

J. ELMER WOODS
President

C. GORDON SMITH, LL.D.
Vice-President

PAUL N. DuVAL

WILLIAM A. JOHNSTON, Q.C.

*RICHARD S. MALONE, O.B.E.

*WILLIAM B. PARRISH

KENNETH A. POWELL

*S. PRICE RATTRAY

CONRAD S. RILEY

*T. BRUCE ROSS

GEORGE E. SHARPE

ALFRED R. TUCKER

*Policyholders' Directors



EXECUTIVE OFFICERS

DARRELL LAIRD, F.S.A., F.C.I.A.
Vice-President and General Manager

HAROLD THOMPSON, F.S.A., F.C.I.A.
Vice-President and Assistant General Manager

A. E. TARR, A.S.A.
Vice-President and Treasurer

C. J. ROGERS, F.L.M.I., F.C.I.S.
Secretary

CLARK B. FULLER, C.L.U.
Vice-President and Director of Sales

C. J. STAFFORD, F.S.A., F.C.I.A.
Actuary, Ordinary Insurance

D. B. STEVENS, F.S.A., F.C.I.A.
Actuary, Group Insurance

D. F. McCOLL
Superintendent of Sales

D. G. EDMOND, A.A.C.I.
Manager, Mortgage & Real Estate Investments

ANDRÉ CROTEAU, A.S.A.
Manager, Policyholder Service

R. A. WANKLING, C.A.
Comptroller

H. R. MAGEE
Assistant to the General Manager

R. G. HANDFORD, M.D.
Medical Director

R. E. ARCHER
Manager, Bond and Stock Investments

G. E. THOMAS
Sales Assistant

C. E. ADDISON, F.L.M.I.
Secretary, Sales Department

JACK LYON
Supervisor of Sales Promotion

R. E. GARLAND, C.A.
Accountant

P. J. SAWCHUK
Projects Manager

L. G. F. JONES
Supervisor of Data Processing

E. F. JOHNSTON
Supervisor of Premium Accounting
and Commission Accounting

N. L. HANDFORD
Supervisor of Underwriting

T. WEBER, F.L.M.I.
Secretary, Policy Issue

C. M. MEDERSKI
Secretary, Policy Changes

E. F. HARLOW
Group Secretary



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BRANCH OFFICES

		Telephone Number	Area Code
VICTORIA	P. P. LOWE, 311 Yarrow Building	384-0584	604
VANCOUVER	G. M. PAYNE, C.L.U., 301 Rayonier Building	684-5322	604
PENTICTON	P. S. MOEN, C.L.U., 2 Delta Block	492-5777	604
EDMONTON	H. D. WALLACE, 100th Avenue Building	422-6125	403
RED DEER	W. E. SOUTHORN, C.L.U., 600 Professional Building	347-1135	403
CALGARY	A. B. MEGSON, 1000 B.A. Oil Building	263-4070	403
SASKATOON	J. H. PROVICK, 305-4th Avenue North	242-8859	306
REGINA	C. J. LIPTON, 1770 Avord Tower	523-9631	306
BRANDON	A. JOSEPHSON, 229 Clement Block	726-4711	204
WINNIPEG	T. USTER, Monarch Life Building L. H. Fyke, C.L.U., Assistant Manager	943-4331	204
FORT WILLIAM	W. J. LYSAK, C.L.U., 1103 Victoria Avenue	622-6444	807
WINDSOR	C. E. SMALL, 1015 University Avenue	254-9645	519
LONDON	D. R. BANKES, Lower Mall, Wellington Square	433-4083	519
HAMILTON	M. A. SLESSOR, 311 Royal Bank Building	522-9274	416
TORONTO	J. LOMAN, C.L.U., 903-55 Yonge Street	364-9118	416
DON MILLS	P. V. SABOURIN, C.L.U., 301-29 Gervais Drive	429-0813	416
OSHAWA	R. A. SLANEY, C.L.U., Oshawa Shopping Centre	725-6588	416
OTTAWA	E. E. LAUGHREN, 151 Slater Street	233-4457	613
MONTREAL	545-3300 Cavendish Boulevard	489-4968	514
SHERBROOKE	F. LARKIN, 202-780 King Street West	562-7272	819



